

California Demand Response



Demand response is the ability of individual electric customers to reduce or shift their electricity usage in a given time period (peak hours) in response to a price signal, a financial incentive, or an electronic signal.

Demand response programs in California benefit all consumers by promoting efficiency and stability in electricity markets, and avoiding the need for new power plants. Participating in demand response programs enables consumers to reduce their use of electricity during times of peak demand, enhancing system reliability, reducing individual consumer costs, and protecting the environment.

Demand response programs:

- Educate consumers about the time sensitivity of energy use
- Promote energy efficiency and resource conservation
- Advance new technologies and methods of measuring and evaluating electricity

The California Public Utilities Commission has:

- Adopted aggressive demand response goals to help meet energy needs in a clean, low-cost manner
- Directed utilities to develop new programs and expand existing demand response programs
- Authorized funding for consumer education



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Demand response represents a critical component of our overall strategy to ensure an economically efficient and environmentally sound energy future.

Demand response joins energy efficiency as the resource of first choice on the list of preferred resources identified by California's key energy agencies in the California Energy Action Plan. Otherwise, meeting peak demand requires building generating facilities that stand idle for substantial periods of time, resulting in extremely high marginal energy costs, and working against California's environmental goals. Demand response represents a successful approach to meeting escalating peak demand addresses through regulatory and educational programs.

"Reducing demand on the system at the right time works just like adding generation and is an economical resource we can count on in California."

-Jim Detmers, Vice President of Operations, California ISO

For information on California's current and peak system demand visit the California Independent System Operator (ISO) website:

www.caiso.com

